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Tunisia

Oilseeds and Products

Annual Report

2000

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Report Highlights:

The Tunisian vegetable oil and protein meal markets are price sensitive and quality plays a small role in purchasing decisions. Tunisian soybean oil imports increased to 143,000 MT while imports from the US remained at the 1998 level of 6,000 MT. Protein meal imports (soybean meal) for compound feed manufacturing increased moderately while the U.S. market share slipped to 3.5 percent. Tunisian olive oil exports soared to an all time high in terms of volume and value.

Includes PSD changes: Yes

Includes Trade Matrix: Yes

Annual Report

Tunis [TS1], TS

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Executive Summary

Except for olives produced for oil, Tunisia does not have any significant production of oilseed crops. In 1999, oil olive production reached about 1,100,000 MT, about 16 percent higher than the previous year's level of 950,000 MT.

Tunisia does not possess significant crushing facilities for soybeans or other oilseed crops. All of its protein meal requirements for compound feed manufacturing (237,000 MT in 1999) are essentially provided through imports from Argentina.

In 1999, total imports of soybean oil reached 143,000 MT representing an increase of about 7 percent compared to the previous year's level of 132,000 MT. U.S. exports of soybean oil were about 6,000 MT in 1999 and represented a market share of 4 percent, about the same as the previous year's. The Tunisian vegetable oil market is price sensitive and quality plays a small role in GOT purchasing decisions.

In 1999, rapeseed oil imports amounted to about 18,000 MT representing an increase of 50 percent compared to the previous year's level of 12,000 MT. This situation was probably the result of rapeseed oil prices becoming more competitive.

TOTAL OILSEEDS

Production

General

Tunisia has no significant production of oil bearing crops other than olives. Olive production in 1999/2000 is expected to reach 1,100,000 MT as compared to an average production of about 740,000 MT. This substantial increase (of about 49 percent) in olive production, compared to the average, was due to the crop cycle coupled with above average rainfall during the flowering stage of olives.

Tunisia continues to have a limited production of peanuts amounting to approximately 1,000 MT for edible use and negligible sesameseed production. Most of the consumption requirements of peanuts and sesameseed are filled through imports. In addition, Tunisia produces small quantities of sunflowerseed for edible use, estimated at about 10,000 MT. Climatic conditions, including scarce water resources, have been limiting factors for expanding sunflower for oil production in Tunisia.

The rapeseed farming project, initiated in 1991 with French assistance, has been scaled down and only a few hundred hectares were seeded in 1999. The rapeseed oil produced by the small pilot/demonstration unit installed as part of the above-mentioned project amounted to about 1,000 MT.

Consumption

General

Tunisia consumes small quantities of sunflowerseed and peanuts. Sunflowerseed consumption is about 10,000 MT annually, while Tunisian's annual consumption of peanuts has remained stable during the last few years and is about 4,500 MT (shelled basis), of which 1,000 MT is produced domestically and the balance is imported. Sesameseed consumption is estimated at about 6,000 MT, mostly for confectionary use.

Tunisia does not have significant oilseed crushing facilities to process oilseeds. A small rapeseed facility has been operating as a pilot plant for the past few years.

Trade

Except for some sesameseed imports, Tunisia has no significant trade in oilseed crops. Most of the country's requirements for edible oil are met from imports of vegetable oil (refined locally) or from its own production of olive oil pressed domestically. In 1999, it is estimated that about 7,000 MT of sesame seeds were imported, while about 13,000 MT of palm oil valued at \$ 7.5 million were imported, mostly from Malaysia, for the margarine industry.

Policy

GOT agricultural policy, as set forth in the IXth Development Plan (1997-2001), continues to encourage domestic production and exports as well as minimizing imports to save foreign exchange outlays. The GOT oilseed policy continues to be oriented toward the protection of domestic production of olive oil, which currently satisfies about 28 percent of the local demand for oil. Further, cheaper vegetable oils such as soybean oil are imported to free olive oil for export markets.

Marketing

Market Development

At present, opportunities for U.S. exports of oilseeds into the Tunisian market are very limited due to the lack of crushing facilities.

TOTAL OILMEALS

Production

All soybean meal used in Tunisia is imported and used in compound feed manufacturing. As stated earlier, there are no crushing facilities for soybeans or other oilseed crops (sunflowerseed or rapeseed) to produce meal domestically. There are about 160 feedmills manufacturing animal feed following a set of government approved feed formulas. In 1999, total compound feed production was about 1,200,000 MT (of which about 60 percent for the poultry industry) and is forecast at 1,344,000 MT for 2000.

Consumption

Imported soybean pellets are the major source of protein used in Tunisia's animal feed compound. It is estimated that 75 percent of imported soybean meal is used in broiler and egg production, while the rest is used in the livestock sector.

In 1999, Tunisia's soybean meal consumption increased by about 19 percent, to 225,000 MT. The increase is attributed to an exceptionally higher demand for compound feed for poultry (broilers and layers) and dairy cattle. Consumption is forecast to grow in 2000 to 234,000 MT, or about a 4 percent increase over the 1999 level because of the higher efficiency of compound feed.

Trade

In 1999, Tunisia imported about 237,000 MT of soybean meal, compared with 209,000 MT in 1998. This increase was probably due to higher demand for feed by the poultry industry operators and some progressive dairy farmers who started following more efficient feeding practices. In 1999, 3.5 percent of Tunisia's soybean meal imports came from the US while about 86 percent came from Argentina. Argentinian soybean meal exports are mostly pelletized, which is preferred by most of the Tunisian trade because of a lack of adequate storage for soybean meal. Total Tunisian soybean meal imports for 2000 are forecast at 240,000 MT.

Soybean meal and pellets imports are subject to 17 percent duty and 6 percent VAT.

Marketing

Market Development Opportunities

In 1999 the Regional office of the American Soybean Association (ASA), in Brussels (that covers Tunisia) has initiated implementation of an aggressive market development and promotion program for both U.S. soybean meal and soybean oil.

TOTAL OILS

Production

Olive oil is the only edible oil produced in Tunisia on a commercial scale. In 1999/2000, olive oil production is estimated at about 220,000 MT representing a 16 percent increase from the previous year and a 49 percent increase over the average. This large increase is attributed to a cyclical crop production factor coupled with above average rainfall during the olive growing season. For the 1999/2000 crop, olive oil extraction and refining is handled by about 1400 plants operating throughout the olive production regions in Tunisia.

In 1999, rapeseed oil production was estimated at about 1,000 MT at a pilot crushing facility.

Consumption

In 1999, domestic olive oil consumption increased to 60,000 MT compared to its previous year level of 50,000 MT. This situation is primarily due to the lower consumer prices for olive oil that prevailed in the early part of 1999 when, traditionally, Tunisian households buy and stock up their olive oil supply for the year.

In 2000, it is projected that annual domestic consumption of olive oil will remain at the previous year's level of 60,000 MT.

In 1999, Tunisian vegetable oil consumption (primarily soybean oil and rapeseed oil) increased to 151,000 MT compared to its previous year's level of 142,000 MT. This 6.3 percent increase is essentially due to higher utilization of vegetable oils in catering to the booming tourist industry.

In 2000, it is projected that total consumption of soybean oil and rapeseed oil will remain at their previous year's level.

Tunisian soybean oil consumption (all from imports) in 1999 increased to about 143,000 MT as compared to 132,000 MT in 1998. This 6.8 percent increase has compensated the lower available supply of rapeseed oil due to its less competitive import prices in the earlier part of the 1999 marketing year. With regard to rapeseed oil, consumption in 1999 decreased by about 20 percent compared to the 1998 level of 20,000 MT.

In 1999, Tunisian palm oil consumption increased to 13,000 MT from its previous year's level of about 8,000 MT. This substantial increase is the result of the expansion of the margarine industry that health awareness (margarine contains less cholesterol) and lower palm oil export prices have triggered. Smaller quantities are utilized in the soap making industry. It is projected that palm oil consumption will increase by 2 to 3 percent in 2000.

Almost all of Tunisian vegetable oil imports are refined and bottled locally. Vegetable oils are sold mainly in bottles but there are some quantities sold in bulk, especially in rural areas. The consumer price of pure vegetable oil is around USD 0.57 per liter while that of olive oil is now about 4.8 times the price of vegetable oil. Tunisian per capita consumption of vegetable oil was estimated at about 15 liters per year in 1999.

Trade

Tunisian olive oil exports represent a main source of foreign exchange. Total olive oil exports in 1999, most of it to European Union (EU) countries, increased substantially to 164,000 MT, valued at USD 319 million, compared to 124,000 MT, valued USD 202 million in 1998. This sharp increase in value of about 20 percent from the 1998 level is a direct result of the higher export prices caused by the reduced available supply of olive oil for export in other olive oil producing countries of the world such as Spain and Italy that registered lower production in 1998.

Tunisia imports large quantities of soybean oil. In 1999, total Tunisian imports of soybean oil were estimated at 143,000 MT, from the US (6,000 MT) and EU countries (98,000 MT). In 2000, it is forecast that soybean oil imports will remain at their 1999 level as the domestic 1999 consumer conditions for olive oil (i.e. availability and price) are expected to continue. In 1999, rapeseed oil imports amounted to about 18,000 MT (essentially from EU countries), representing an increase of 38 percent over the previous year's level of 12,000 MT. Tunisia also imports small amounts of palm oil. Total palm oil imports (primarily from Malaysia) amounted to about 13,000 MT in 1999.

Policy

Because of the substantially higher demand in 1999 for imports of olive oil by some EU countries that traditionally import Tunisian olive oil (for further processing, blending, packaging and re-exporting to their long time customer countries), total exports climbed to 164,000 MT compared to 124,000 MT in 1998. On another score, the reduced supply of olive oil existing on the international market in 1999 caused export prices to increase about 15 percent compared to their previous year's average level of USD 2,026/MT for the extra virgin grade. Of the above level of 164,000 MT, about 143,000 MT were exported essentially to Italy and Spain, and represented 87 percent of Tunisia's overall olive oil exports in 1999. Tunisian olive oil exports to the US sky rocketed in 1999 to reach 7,000 MT compared to 2,000 MT in 1998. This result is due to aggressive market promotion initiatives undertaken by some Tunisian private operators.

Domestically, consumer average retail prices for olive oil remained at the level of TD 3 (USD 2.75) per liter reached in July 1999 during the peak demand for export. With respect to domestic consumption of vegetable oil, it is projected that it will remain at its 1999 level of 151,000 MT.

In 2000, Tunisian olive oil exports are expected to reach about 130,000 MT, a 21 percent decrease compared to the previous year's level because of the relatively abundant world supply and stabilizing international prices. In order to strengthen the level of its exports in future years, the high scale international market promotion campaign that was launched by the GOT in the winter of 1999 to make Tunisian olive oil better known to potential new consumers, is expected to continue in 2000. The base theme used in the promotion campaign is "olive oil is cholesterol free; Tunisian olive oil is better for your health".

Though vegetable oil exports into the Tunisian market have been liberated, private operators must comply with government tender specifications. These specifications include the provision that private edible oil operators must have available at least 10,000 MT of storage capacity before they can conclude any vegetable oil import contracts. The level of customs tariffs imposed on vegetable oil depends mainly on the degree of refining. Crude soybean oil imports are subject to 15 percent duty and zero percent VAT while crude rapeseed oil imports are subject to 15 percent duty and 18 percent VAT.

Marketing

Market Development Opportunities for U.S. Exports

In 1999, U.S. soybean oil exports remained at their 1998 level of 6,000 MT. This low volume is probably attributed to U.S. prices being less competitive with EU soybean oil prices. The Tunisian vegetable oil market is price sensitive and quality plays a very small role in GOT purchasing decisions.

A more present ASA (as has been the case in the last 12 months) with an aggressive and focused multi-year market promotion and development program, U.S. market share in the Tunisian soybean oil market could move upward from the present 4.2 percent.

Genetically Modified Organisms

Though Tunisia does not yet have a legislation that controls the use of GMOs in food and feed products, awareness has been building up amongst concerned GOT officials. Consequently imports of vegetable oils, soybean meal and corn have not been subject to any GMO related problems, neither when entering Tunisia nor during their processing and marketing. This situation could be at least partially attributed to FAS/Tunis efforts, since the beginning of 1998, to address the GMO issue with high GOT officials and scientists.

Product Labeling

In 1998, Tunisia adopted international approved standards for labeling food and feed products sold domestically. Implementation of this decision has been initiated. Currently animal feed ingredients sold in Tunisia are labeled in accordance with international standards.

Asian, Russian, and Latin America (Brazil) Financial Crisis

Effects of the financial crises that affected some countries of Asia, Europe and Latin America were minimal on Tunisia as relatively little trade is done between Tunisia and those countries.

STATISTICAL SECTION

PSD Soybean Meal

PSD Table						
Country:	Tunisia					
Commodity:	Soybean Meal					
		1998		1999		2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Crush	0	0	0	0	0	0
Extr. Rate	ERR	ERR	ERR	ERR	ERR	ERR
Beginning Stocks	19	19	23	23	24	35
Production	0	0	0	0	0	0
MY Imports	192	209	217	237	0	240
MY Imp. from U.S.	45	35	50	8	0	50
MY Imp. from the EC	0	6	0	0	0	0
TOTAL SUPPLY	211	228	240	260	24	275
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consum.	0	0	0	0	0	0
Feed Waste Dom.Consum.	194	205	216	225	0	234
Total Dom. Consumption	194	205	216	225	0	234
Ending Stocks	17	23	24	35	0	41
TOTAL DISTRIBUTION	211	228	240	260	0	275
Calendar Year Imports	192	209	217	237	0	240
Calendar Yr Imp. U.S.	45	35	50	8	0	50
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix Soybean Meal

Import Trade Matrix			
Country:	Tunisia	Units:	1,000 MT
Commodity:	Meal, Soybean		
Time Period:	MY		
Imports for	1998		1999
U.S.	32	U.S.	8
Other		Other	
Argentina	174	Argentina	205
Brazil	3	E.U.	10
Total of Others	177	Total of Others	215
Others not Listed		Others not Listed	14
Grand Total	209	Grand Total	237

PSD Soybean Oil

PSD Table						
Country:	Tunisia					
Commodity:	Soybean Oil					
		1998		1999		2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Crush	0	0	0	0	0	0
Extr. Rate	ERR	ERR	ERR	ERR	ERR	ERR
Beginning Stocks	26	6	16	16	17	24
Production	0	0	0	0	0	0
MY Imports	110	132	126	143	0	143
MY Imp. from U.S.	25	6	25	6	0	25
MY Imp. from the EC	0	0	0	98	0	80
TOTAL SUPPLY	136	138	142	159	17	167
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consum.	110	122	125	135	0	135
Feed Waste Dom.Consum.	0	0	0	0	0	0
Total Dom. Consumption	110	122	125	135	0	135
Ending Stocks	26	16	17	24	0	32
TOTAL DISTRIBUTION	136	138	142	159	0	167
Calendar Year Imports	110	132	126	143	0	143
Calendar Yr Imp. U.S.	25	6	25	6	0	25
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix Soybean Oil

Import Trade Matrix			
Country:	Tunisia	Units:	1,000 MT
Commodity:	Oil, Soybean		
Time Period:	MY		
Imports for	1998		1999
U.S.	6	U.S.	6
Other		Other	
Spain	90	Spain	58
Portugal	12	Argentina	32
France	9	Germany	25
Belgium	9	Netherlands	9
UK	6		
Total of Others	126	Total of Others	130
Others not listed		Others not listed	7
Grand Total	132	Grand Total	143

PSD Rapeseed Oil

PSD Table						
Country:	Tunisia					
Commodity:	Rapeseed Oil					
		1998		1999		2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Crush	0	0	0	0	0	0
Extr. Rate	ERR	ERR	ERR	ERR	ERR	ERR
Beginning Stocks	2	12	13	5	10	8
Production	1	1	1	1	0	1
MY Imports	35	12	8	18	0	18
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	9	5	18	0	5
TOTAL SUPPLY	38	25	22	24	10	27
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consum.	25	20	12	16	0	16
Feed Waste Dom.Consum.	0	0	0	0	0	0
Total Dom. Consumption	25	20	12	16	0	16
Ending Stocks	13	5	10	8	0	11
TOTAL DISTRIBUTION	38	25	22	24	0	27
Calendar Year Imports	0	12	8	18	0	18
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix Rapeseed Oil

Import Trade Matrix			
Country:	Tunisia	Units:	1,000 MT
Commodity:	Rapeseed Oil		
Time period:	MY		
Imports for	1998		1999
U.S.		U.S.	
Others		Others	
France	9	France	12
Romania	3	Netherlands	3
		Germany	3
Total for Others	12		18
Others not listed			
Grand Total	12		18

PSD Olive Oil

PSD Table						
Country:	Tunisia					
Commodity:	Oil, Olive					
		1998		1999		2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Area Planted	1339	1339	1339	1339	1339	1340
Area Harvested	1200	1200	1200	1200	1200	1200
Trees	55228	55228	55228	55228	55228	55230
Beginning Stocks	167	132	148	148	173	144
Production	200	190	220	220	0	150
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	367	322	368	368	173	294
MY Exports	110	124	135	164	0	130
MY Exp. to the EC	100	112	115	143	0	115
Industrial Dom. Consum.	0	0	0	0	0	0
Food Use Dom. Consump.	50	50	60	60	0	60
Feed Seed Waste Dm.Cn.	0	0	0	0	0	0
Total Dom. Consumption	50	50	60	60	0	60
Ending Stocks	207	148	173	144	0	104
TOTAL DISTRIBUTION	367	322	368	368	0	294
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	110	124	135	164	0	130
Calndr Yr Exp. to U.S.	0	2	4	7	0	9

Export Trade Matrix Olive Oil

Export Trade Matrix			
Country:	Tunisia	Units:	1,000 MT
Commodity:	Oil, Olive		
Time period:	MY		
Exports for	1998		1999
U.S.	2	U.S.	7
Others		Others	
Italy	95	Italy	77
Spain	15	Spain	66
UK	2	Libya	10
Total for Others	112		153
Others not listed	10		4
Grand Total	124		164